

2011 Property Tax Report

Porter County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Porter County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Porter County

The average homeowner saw an 8.1% tax bill increase from 2010 to 2011.
Homestead taxes in 2011 were still 20.9% lower than they were in 2007, before the property tax reforms.
86.0% of homeowners saw lower tax bills in 2011 than in 2007.
81.3% of homeowners saw tax increases of between 1% and 19% from 2010 to 2011.
The largest percentage of homeowners have seen between a 1% and 29% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	33,762	87.8%	5,359	13.9%
No Change	807	2.1%	35	0.1%
Lower Tax Bill	3,899	10.1%	33,074	86.0%
Average Change in Tax Bill	8.1%		-20.9%	
Detailed Change in Tax Bill				
20% or More	2,484	6.5%	1,171	3.0%
10% to 19%	15,432	40.1%	1,354	3.5%
1% to 9%	15,846	41.2%	2,834	7.4%
0%	807	2.1%	35	0.1%
-1% to -9%	3,032	7.9%	6,191	16.1%
-10% to -19%	541	1.4%	10,338	26.9%
-20% to -29%	216	0.6%	9,079	23.6%
-30% to -39%	30	0.1%	4,980	12.9%
-40% to -49%	17	0.0%	1,849	4.8%
-50% to -59%	15	0.0%	300	0.8%
-60% to -69%	4	0.0%	110	0.3%
-70% to -79%	8	0.0%	57	0.1%
-80% to -89%	5	0.0%	46	0.1%
-90% to -99%	3	0.0%	38	0.1%
-100%	28	0.1%	86	0.2%
Total	38,468	100.0%	38,468	100.0%

Note: Percentages may not total due to rounding.

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 LOSS OF STATE HOMESTEAD
 CREDIT, LOWER LOCAL
 HOMESTEAD CREDITS, AND
 HIGHER TAX RATES RAISED
 HOMEOWNER TAX BILLS
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Homestead Property Taxes

Homestead property taxes increased 8.1% on average in Porter County in 2011. This was more than the state average of 4.4%. Porter County homestead taxes were still 20.9% lower in 2011 than they were in 2007, before the big tax reform. The larger-than-average homestead tax increase in 2011 was partly due to the phaseout of the state homestead credit in 2011. The state homestead credit was 3.9% in Porter County in 2010. In addition, Porter County's local homestead credit declined in 2011, due to a drop in the local income tax revenues that fund it. The increase in tax rates also contributed to the homestead tax increase. The tax caps held the increase lower than it would have been. In 2011, 26.3% of homesteads were eligible for tax cap credits; the figure was 10.2% in 2010.

Tax Rates

Property tax rates increased in most Porter County tax districts. The average tax rate increased by 3.4%, mainly because of an increase in the levy. Levies in Porter County increased by 2.0%. The biggest levy increases were in the Valparaiso Community School debt service fund, the Valparaiso City general fund, and the Portage City general and highway funds. The biggest levy reductions were in the Chesterton storm sewer bond and debt service funds, all Michigan City Area Schools funds, and the Portage Township fire equipment bond and township assistance funds. Porter County's total net assessed value was unchanged in 2011. (The certified net AV used to compute tax rates declined by 1.4%.) Homestead net assessments decreased by 0.4%, and agricultural net assessments grew by 2.1%. Other residential assessments showed a decline of 0.5%, while business net assessments increased by 0.7%.

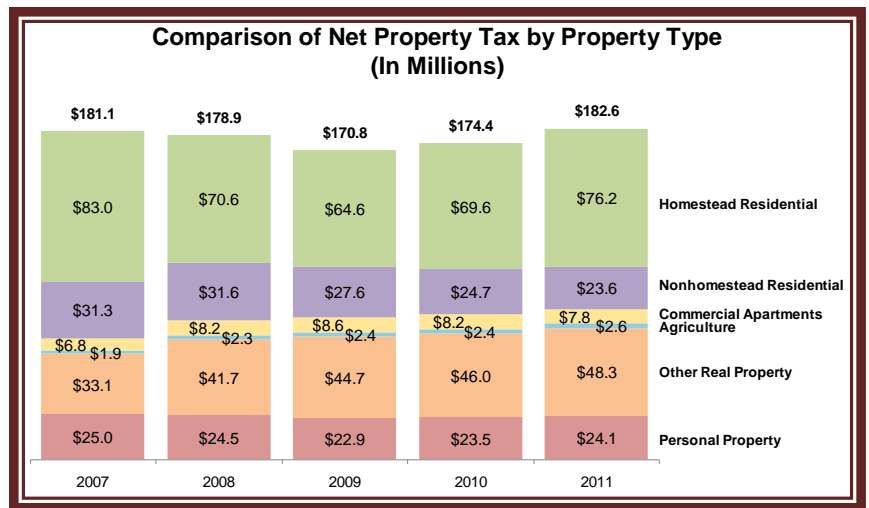
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*DECREASES IN TAXES FOR OTHER RESIDENTIAL
PROPERTY AND APARTMENTS; INCREASES FOR
BUSINESS AND AGRICULTURE*

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Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 4.7% in Porter County in 2011, more than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills decrease by 4.4%. Tax bills for commercial apartments fell 5.3%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - increased 4.3%. Agricultural tax bills rose 5.8%. This was partly due to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS
INCREASED IN 2011*

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Total tax cap credit losses in Porter County were \$7.9 million, or 4.1% of the levy. This was less than the state average loss rate of 9.2%, but near the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits. Porter County's tax rates were lower than the state median, but the county has a large number of high-valued houses, which are more likely to be eligible for tax cap credits.

About half of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 1% homestead category. Porter County had no district tax rates above \$3 per \$100 assessed value, so no business property in the 3% tax cap category qualified for credits. The largest percentage losses were in the Boone Township School Corporation and the towns of Porter and Hebron. The largest dollar losses were in the cities of Portage and Valparaiso, Portage Township Schools, and the county unit.

Porter County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$1,130,629	\$2,657,341	\$0	\$38,302	\$3,826,272	2.1%
2011 Tax Cap Credits	3,834,885	3,979,030	0	96,122	7,910,037	4.1%
Change	\$2,704,256	\$1,321,689	\$0	\$57,820	\$4,083,765	2.1%

Tax cap credits increased in Porter County in 2011 by \$4.1 million, or 107%. The additional credits

represent an added loss of 2.1% of the total tax levy. Most of the increase in tax cap credits was in the 1% tax cap category, which covers homesteads. Higher tax rates on many high-valued homes, the elimination of the state homestead credit, and the drop in local income tax revenue that funds local homestead credits caused much of the 1% tax cap credit increase. The large increase in the 2% tax cap category resulted from higher tax rates.

The Effect of Recession

The 2009 recession had an effect on Porter County assessments for pay-2011. Property values and construction activity increased little in Porter County in 2009, which contributed to tax rate increases. Lower incomes in 2009 resulted in lower local income tax distributions in 2011, which reduced the local homestead credit. Higher rate increases and lower local credits added to tax cap revenue losses. Added credit losses offset most of the county's levy increases.

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*2009 RECESSION ADDED TO TAX CAP
CREDIT LOSSES IN 2011*

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$9,098,622,121	\$9,143,621,157	0.5%	\$4,642,768,992	\$4,626,038,595	-0.4%
Other Residential	1,475,395,869	1,482,256,778	0.5%	1,467,340,784	1,459,900,128	-0.5%
Ag Business/Land	150,828,799	153,977,199	2.1%	150,618,604	153,771,074	2.1%
Business Real/Personal	4,003,572,811	4,039,708,395	0.9%	3,267,987,831	3,291,138,572	0.7%
Total	\$14,728,419,600	\$14,819,563,529	0.6%	\$9,528,716,211	\$9,530,848,369	0.0%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Porter County Levy Comparison by Taxing Unit

Taxing Unit						% Change			
	2007	2008	2009	2010	2011	2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	232,696,951	259,472,239	168,181,190	171,607,333	175,030,138	11.5%	-35.2%	2.0%	2.0%
State Unit	213,906	251,325	0	0	0	17.5%	-100.0%		
Porter County	39,011,244	41,856,187	34,619,665	36,239,384	36,142,902	7.3%	-17.3%	4.7%	-0.3%
Boone Township	146,984	152,158	151,341	157,668	161,253	3.5%	-0.5%	4.2%	2.3%
Center Township	1,380,303	1,446,705	1,445,190	1,482,751	1,524,129	4.8%	-0.1%	2.6%	2.8%
Jackson Township	130,248	137,279	128,391	133,631	135,532	5.4%	-6.5%	4.1%	1.4%
Liberty Township	305,006	322,069	316,086	333,942	335,534	5.6%	-1.9%	5.6%	0.5%
Morgan Township	87,241	90,140	120,008	89,038	90,792	3.3%	33.1%	-25.8%	2.0%
Pine Township	88,777	96,646	98,302	101,808	103,229	8.9%	1.7%	3.6%	1.4%
Pleasant Township	185,297	191,437	194,417	202,796	207,995	3.3%	1.6%	4.3%	2.6%
Portage Township	1,906,701	2,310,980	1,937,104	2,163,770	1,754,720	21.2%	-16.2%	11.7%	-18.9%
Porter Township	256,059	295,941	299,418	290,309	334,880	15.6%	1.2%	-3.0%	15.4%
Union Township	323,223	335,227	323,043	328,254	340,952	3.7%	-3.6%	1.6%	3.9%
Washington Township	187,929	206,902	202,023	205,813	195,444	10.1%	-2.4%	1.9%	-5.0%
Westchester Township	155,197	161,499	159,619	163,869	166,051	4.1%	-1.2%	2.7%	1.3%
Valparaiso Civil City	14,959,969	16,289,698	16,249,346	16,643,236	17,496,908	8.9%	-0.2%	2.4%	5.1%
Portage Civil City	14,406,012	15,064,428	13,920,695	14,646,066	15,340,041	4.6%	-7.6%	5.2%	4.7%
Chesterton Civil Town	4,350,725	4,604,074	4,856,897	5,558,222	4,776,498	5.8%	5.5%	14.4%	-14.1%
Beverly Shores Civil Town	311,187	583,102	728,822	559,190	1,039,654	87.4%	25.0%	-23.3%	85.9%
Burns Harbor Civil Town	1,302,010	1,362,402	2,013,902	1,861,083	1,506,151	4.6%	47.8%	-7.6%	-19.1%
Dune Acres Civil Town	265,711	275,809	284,610	295,051	296,189	3.8%	3.2%	3.7%	0.4%
Hebron Civil Town	557,126	577,598	595,583	617,575	624,002	3.7%	3.1%	3.7%	1.0%
Kouts Civil Town	270,754	315,565	329,145	340,323	334,406	16.6%	4.3%	3.4%	-1.7%
Ogden Dunes Civil Town	622,907	650,446	591,331	669,671	723,827	4.4%	-9.1%	13.2%	8.1%
Porter Civil Town	1,861,905	1,898,178	1,998,261	2,070,309	2,180,668	1.9%	5.3%	3.6%	5.3%
Pines Civil Town	84,311	87,393	90,928	94,214	96,747	3.7%	4.0%	3.6%	2.7%
Michigan City Area School Corp	2,565,563	3,611,147	1,892,146	2,424,057	1,729,451	40.8%	-47.6%	28.1%	-28.7%
Boone Township School Corp	5,460,063	6,225,857	3,961,398	3,759,329	3,820,546	14.0%	-36.4%	-5.1%	1.6%
Duneland School Corp	36,958,315	42,426,897	20,441,967	20,535,971	20,709,432	14.8%	-51.8%	0.5%	0.8%
East Porter County School Corp	13,768,547	15,044,735	8,948,837	8,471,638	9,023,020	9.3%	-40.5%	-5.3%	6.5%
Porter Township School Corp	7,599,914	8,533,173	4,532,931	4,343,242	4,678,993	12.3%	-46.9%	-4.2%	7.7%
Union Township School Corp	7,906,759	8,952,069	4,297,165	4,368,353	4,663,877	13.2%	-52.0%	1.7%	6.8%
Portage Township School Corp	30,685,819	36,173,575	17,018,947	17,614,446	17,709,302	17.9%	-53.0%	3.5%	0.5%
Valparaiso Community School Corp	35,217,441	40,089,375	17,132,353	16,322,520	18,132,137	13.8%	-57.3%	-4.7%	11.1%
Westchester Public Library	2,164,300	2,254,700	2,301,380	2,417,314	2,379,735	4.2%	2.1%	5.0%	-1.6%
Porter County Public Library	5,465,141	5,103,485	5,249,200	5,324,557	5,494,727	-6.6%	2.9%	1.4%	3.2%
West Porter Township Fire Protection	135,313	140,831	131,597	136,139	138,875	4.1%	-6.6%	3.5%	2.0%
Porter Co Solid Waste Mgt Dist	0	0	0	0	0				
Porter Co Airport Authority	623,895	649,258	619,142	641,794	641,539	4.1%	-4.6%	3.7%	0.0%
Valparaiso Redevelopment Comm	382,938	328,290	0	0	0	-14.3%	-100.0%		
Burns Harbor Town Redevelopment	0	0	0	0	0				
Porter Redevelopment Comm	0	0	0	0	0				
Portage Redevelopment Comm	346,445	375,659	0	0	0	8.4%	-100.0%		
Chesterton Redevelopment Comm	45,766	0	0	0	0	-100.0%			

Porter County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
64001	Boone Township	2.3761	--	--	6.4847%	--	--	--	2.2220
64002	Hebron (Boone)	2.9724	--	--	6.4847%	--	--	--	2.7796
64003	Center Township	1.4782	--	--	6.4847%	--	--	--	1.3823
64004	Valparaiso (Center)	2.4181	--	--	6.4847%	--	--	--	2.2613
64005	Jackson Township	1.3964	--	--	6.4847%	--	--	--	1.3058
64006	Liberty Township	1.4486	--	--	6.4847%	--	--	--	1.3547
64007	Chesterton-Liberty Township	2.1094	--	--	6.4847%	--	--	--	1.9726
64008	Morgan Township	1.6769	--	--	6.4847%	--	--	--	1.5682
64009	Pine Township-Mich City Schools	1.3818	--	--	6.4847%	--	--	--	1.2922
64010	Pine Township-Duneland Schools	1.4527	--	--	6.4847%	--	--	--	1.3585
64011	Beverly Shores (Pines)	1.9440	--	--	6.4847%	--	--	--	1.8179
64012	Pines Town (Pines Township)	1.7753	--	--	6.4847%	--	--	--	1.6602
64013	Pleasant Township	1.7478	--	--	6.4847%	--	--	--	1.6345
64014	Kouts (Pleasant)	2.1032	--	--	6.4847%	--	--	--	1.9668
64015	Portage Township	1.6917	--	--	6.4847%	--	--	--	1.5820
64016	Portage City-Portage Township	2.5957	--	--	6.4847%	--	--	--	2.4274
64017	Ogden Dunes (Portage)	1.9641	--	--	6.4847%	--	--	--	1.8367
64018	Porter Township	1.6104	--	--	6.4847%	--	--	--	1.5060
64019	Union Township	1.5720	--	--	6.4847%	--	--	--	1.4701
64020	Washington Township	1.7063	--	--	6.4847%	--	--	--	1.5957
64021	Westchester Township	1.4799	--	--	6.4847%	--	--	--	1.3839
64022	Portage City-Westchester Township	2.4975	--	--	6.4847%	--	--	--	2.3355
64023	Chesterton-Westchester Township	2.1613	--	--	6.4847%	--	--	--	2.0211
64024	Burns Harbor (Westchester)	1.7260	--	--	6.4847%	--	--	--	1.6141
64025	Dune Arces (Westchester)	1.7391	--	--	6.4847%	--	--	--	1.6263
64026	Porter Town (Westchester)	2.3897	--	--	6.4847%	--	--	--	2.2347
64027	Chesterton-Jackson Township	2.0935	--	--	6.4847%	--	--	--	1.9577
64028	Porter Township-W Porter Fire	1.5705	--	--	6.4847%	--	--	--	1.4687
64029	Valparaiso-Washington Township	2.7309	--	--	6.4847%	--	--	--	2.5538

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Porter County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	3,831,535	3,878,413	0	96,122	7,806,070	175,030,138	4.5%
<i>TIF Total</i>	3,350	100,617	0	0	103,967	17,355,920	0.6%
<i>County Total</i>	3,834,885	3,979,030	0	96,122	7,910,037	192,386,058	4.1%
Porter County	658,786	647,782	0	17,848	1,324,417	36,142,902	3.7%
Boone Township	6,526	8,387	0	56	14,970	161,253	9.3%
Center Township	12,426	12,308	0	605	25,339	1,524,129	1.7%
Jackson Township	225	19	0	23	266	135,532	0.2%
Liberty Township	1,137	136	0	105	1,378	335,534	0.4%
Morgan Township	3	0	0	27	30	90,792	0.0%
Pine Township	671	0	0	0	671	103,229	0.6%
Pleasant Township	129	511	0	114	754	207,995	0.4%
Portage Township	36,606	43,507	0	1,706	81,818	1,754,720	4.7%
Porter Township	1	0	0	140	142	334,880	0.0%
Union Township	4	0	0	58	62	340,952	0.0%
Washington Township	706	405	0	58	1,170	195,444	0.6%
Westchester Township	1,035	887	0	46	1,967	166,051	1.2%
Valparaiso Civil City	694,688	671,397	0	8,416	1,374,501	17,496,908	7.9%
Portage Civil City	461,540	635,888	0	17,484	1,114,912	15,340,041	7.3%
Chesterton Civil Town	150,697	69,472	0	2,251	222,420	4,776,498	4.7%
Beverly Shores Civil Town	20,548	0	0	0	20,548	1,039,654	2.0%
Burns Harbor Civil Town	0	0	0	42	42	1,506,151	0.0%
Dune Acres Civil Town	2,394	0	0	0	2,394	296,189	0.8%
Hebron Civil Town	39,303	47,633	0	512	87,448	624,002	14.0%
Kouts Civil Town	757	2,996	0	313	4,066	334,406	1.2%
Ogden Dunes Civil Town	28,033	0	0	0	28,033	723,827	3.9%
Porter Civil Town	87,758	103,944	0	2,147	193,849	2,180,668	8.9%
Pines Civil Town	0	0	0	0	0	96,747	0.0%
Michigan City Area School Corp	25,300	0	0	0	25,300	1,729,451	1.5%
Boone Township School Corp	172,727	218,267	0	1,714	392,707	3,820,546	10.3%
Duneland School Corp	262,332	178,929	0	6,530	447,791	20,709,432	2.2%
Morgan Township School Corp	0	0	0	0	0	0	
East Porter County School Corp	44,187	32,490	0	3,172	79,850	9,023,020	0.9%
Porter Township School Corp	93	0	0	1,581	1,674	4,678,993	0.0%
Union Township School Corp	59	0	0	795	854	4,663,877	0.0%
Washington Township School Corp	0	0	0	0	0	0	
Portage Township School Corp	477,076	567,011	0	17,770	1,061,856	17,709,302	6.0%
Valparaiso Community School Corp	494,484	489,817	0	8,514	992,816	18,132,137	5.5%
Hebron Public Library	0	0	0	0	0	0	
Westchester Public Library	35,232	30,197	0	883	66,312	2,379,735	2.8%
Porter County Public Library	104,373	104,932	0	2,865	212,170	5,494,727	3.9%
West Porter Township Fire Protection	6	0	0	30	36	138,875	0.0%
Porter Co Solid Waste Mgt Dist	0	0	0	0	0	0	
Porter Co Airport Authority	11,694	11,498	0	317	23,508	641,539	3.7%
Valparaiso Redevelopment Comm	0	0	0	0	0	0	
Burns Harbor Town Redevelopment	0	0	0	0	0	0	
Porter Redevelopment Comm	0	0	0	0	0	0	
Portage Redevelopment Comm	0	0	0	0	0	0	
Chesterton Redevelopment Comm	0	0	0	0	0	0	
TIF - TIF #1-026 Porter (11)	1,891	13,477	0	0	15,368	1,107,955	1.4%
TIF - TIF #2-016 Portage (8)	275	8,517	0	0	8,792	6,834,634	0.1%
TIF - TIF #2-022 Portage West (24)	0	176	0	0	176	883	19.9%
TIF - TIF #3-004 Valparaiso (01)	0	69,515	0	0	69,515	4,686,334	1.5%
TIF - TIF #4-004 Valparaiso (01)	0	1,286	0	0	1,286	107,511	1.2%
TIF - TIF #5-029 Wash Valpo (29)	0	0	0	0	0	765,218	0.0%
TIF - TIF #6-029 Wash Valpo (29)	0	488	0	0	488	1,674,307	0.0%
TIF - TIF #7-023 Chesterton (10)	357	3,625	0	0	3,982	981,898	0.4%
TIF - TIF #7-007 Chest/Chest Liberty (26)	828	1,000	0	0	1,828	585,910	0.3%
TIF - TIF #7-027 Chest/Chest Jackson (27)	0	0	0	0	0	0	
TIF - TIF #8-024 Burns Harbor (25)	0	0	0	0	0	556,951	0.0%
TIF - TIF #9-004 Valparaiso (01)	0	0	0	0	0	0	
TIF - TIF #10-002 Hebron (17)	0	2,112	0	0	2,112	51,902	4.1%
TIF - TIF #11-004 Valparaiso (01)	0	329	0	0	329	2,075	15.9%
TIF - TIF#11-029 Wash-Valparaiso (29)	0	91	0	0	91	341	26.8%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.